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DE RUEHLP #0115/01 0271554 ZNY CCCCC ZZH P 271554Z JAN 09 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 9829 INFO RUEHAC/AMEMBASSY ASUNCION 8757 RUEHBO/AMEMBASSY BOGOTA 6130 RUEHBR/AMEMBASSY BRASILIA 0093 RUEHBU/AMEMBASSY BUENOS AIRES 7313 RUEHCV/AMEMBASSY CARACAS 4359 RUEHCP/AMEMBASSY COPENHAGEN 0345 RUEHPE/AMEMBASSY LIMA 4694 RUEHMN/AMEMBASSY MONTEVIDEO 6100 RUEHQT/AMEMBASSY QUITO 6978 RUEHSG/AMEMBASSY SANTIAGO 1746 RUEHUB/USINT HAVANA 1632 RHEHNSC/NSC WASHINGTON DC RHMFISS/HQ USSOUTHCOM MIAMI FL RUEAIIA/CIA WASHINGTON DC RUEKJCS/SECDEF WASHINGTON DC RHEFDIA/DIA WASHINGTON DC

CONFIDENTIALLAPAZ 000115

SIPDIS

E.O. 12958: DECL: 01/26/2019

TAGS: PGOV ECON KDEM PREL PINR BL

SUBJECT: BOLIVIA: REFERENDUM PASSES, WHAT NEXT?

REF: A. LA PAZ 11

¶B. LA PAZ 96

<u>¶</u>C. LA PAZ 103

¶D. LA PAZ 104

¶E. LA PAZ 105

1F. LA PAZ 106

Classified By: A/EcoPol Chief Joe Relk for reasons 1.4 (b, d)

11. (C) Summary: In a generally peaceful day of voting marked by scattered accusations of fraud, Bolivians voted in a national referendum January 25 to approve a new constitution. Although official vote tallies will not be available until February, initial surveys place the national referendum results at roughly 59 to 60 percent for the constitution and 40 to 41 percent against. The vote represents a drop in support of about eight percent from Morales' August 2008 recall referendum victory of 67 percent. Most news sources reported that four departments (states) voted to pass the constitution, with four against, and one in a virtual tie. Almost 80 percent of voters nationwide supported a new limit on land holdings of 5,000 hectares. International observation teams publicly praised the process. However, in a private conversation, three OAS observers confirmed that in highland rural areas voting was often public, guided, and double-checked, that systems existed to pressure people to vote for the constitution, and that there were concerns about inflated vote totals. In a victory speech, President Morales celebrated "the end of neoliberalism and imperialism" but was vague on specific next steps for his administration, perhaps signaling concern over the lack of a clear mandate by voters. Focus now shifts to the Congress, where the administration and opposition legislators must agree within 60 days on a mandatory law to coordinate the next round of elections, currently scheduled for December 6. Although President
Morales on January 24 disavowed any intention to move
elections forward, MAS Senator and party leader Felix Rojas threatened both June elections and rule by decree if the Congress did not move quickly to enact the legislation that Morales and the MAS favor. End summary.

MAS Wins, But Regional Division Remains

- ¶2. (U) In a generally peaceful day of voting marked by scattered accusations of fraud, Bolivians voted in a national referendum January 25 to approve a new constitution. Although the National Electoral Court (CNE) is not required to publish official vote tallies until February 20, both the Morales administration and the opposition accepted that a majority of the populace had voted for the new constitution. Most survey results showed a win for Morales and the ruling Movement Toward Socialism (MAS) party of between 58 to 60 percent nationally, although the government press service ABI showed a 61.9 percent win. Leading national polling firm Ipsos reported 58.7 percent voted for the constitution to 41.3 percent against. While the national vote clearly supported the new constitution, there was significant regional division. Four of the country's nine departments (states), including the entire eastern half of the country or "Media Luna," opposed the measure. The ninth department, Chuquisaca, reportedly tied evenly, prompting emotional allegations of fraud from Prefect Savina Cuellar. According Ipsos, 91 percent of the country participated in the referendum. (Note: Suffrage is required by law in Bolivia; those who do not vote are dropped from voter rolls until they apply for re-inscription. End note.)
- ¶3. (C) An OAS observer reported their own quick count showed the constitution passing with a 63 percent to 37 percent advantage. The observer said they were very confident in their lead statistician, whom they have worked with for many years, but noted that in such a polarized situation (i.e. where votes are lopsided in one direction or the other, depending on the district), the samples are affected and the margin of error expands greatly.
- 14. (U) Ipsos reported the following regional results:
 --La Paz: 77 percent yes, 23 percent no
 --Potosi: 77 percent yes, 23 percent no
 --Oruro: 71 percent yes, 29 percent no
 --Cochabamba: 63 percent yes, 37 percent no
 --Chuquisaca: 50 percent yes, 50 percent no
 --Pando: 43 percent yes, 57 percent no
 --Tarija: 44 percent yes, 56 percent no
 --Santa Cruz: 32 percent yes, 68 percent no
 --Beni: 32 percent yes, 68 percent no
- ¶5. (C) Most surprising is that Pando voted solidly against the new constitution. In the August 2008 referendum, Morales had won 53 percent support in Pando, and both news media and our sources reported large-scale attempts at fraud to bring the sparsely-populated department into the MAS camp. The Morales government had earlier ordered troops to move into Pando, ostensibly to quell any violence after the September 2008 state of siege, but with the added benefit of increasing the number of MAS voters. Given past results and the concerted effort made by the MAS to make inroads into the "Media Luna," the size of the victory was not only unexpected but likely a significant setback to MAS aspirations in the department (Reftel A).
- 16. (SBU) In Santa Cruz, the mood is optimistic. While the "No" campaign had hoped to narrow the national gap more, they celebrated the strong showing in Santa Cruz, triumph in six departmental capitals, and likely win in five departments. A Santa Cruz civic committee insider said if all the null votes and abstentions were added (as President Morales did after the autonomy referenda), the national vote totals would be much closer to a fifty-fifty split. Therefore, they are optimistic Morales will not be able to push through his constitution by decree, as half the country's population and more than half the national territory would resist such a maneuver. Department and civic committee leaders said they are determined to react non-violently, so as not to repeat the mistakes of September 2008 when violent acts by some Crucenos robbed them of the moral high ground.

MAS Leverages Rural Vote, Fraud a Concern

- 17. (C) Voter surveys show the MAS losing strength across the board, but still with enough support to win, especially in rural areas. In a national poll of capital cities, the MAS received only 50 percent support, down five percent from the August 2008 national recall referendum. However, the MAS received 82 percent support in rural areas nationally, and likely higher in the western Altiplano region. Although specific vote totals are not yet available from the Altiplano, international observers confirmed that campaigning extended into the day of the referendum, and that "open-air" or public/community voting occurred. OAS observer Steven Griner told local press he saw people voting publicly and added: "People arrived together and some had propaganda in favor of the government. At one of the voting tables, (voting officials) told me that the constitution would win here, which struck me as unusual." In Omasuyo, a source told leading daily La Razon that a local leader obliged all the voters to show him their electoral ballot before putting it in the ballot box. La Razon also carried photos of campesinos voting publicly, in violation of the CNE's mandate to preserve the secrecy of the ballot. (Note: In the August 2008 referendum, the OAS estimated nine percent of the vote was performed publicly. End note.) OAS Observer Mission Director Raul Lago told us he had spoken frankly about the issue with CNE President Jose Luis Exeni and Exeni had responded with public promises that any votes cast publicly would be annulled (Reftel C).
- 18. (C) In the lead-up to the referendum, several of our contacts, including union leaders and others from the Altiplano region, told us that support for the MAS is waning in the highlands, but that the MAS had done an excellent job of paying local leaders to essentially force community members to vote for the MAS. Public voting is one way in which leaders ensure near-unanimous votes for the MAS, but our contacts also told us that "in such small communities, it is easy to find out who has voted against the MAS." Those who vote their conscience can lose jobs, be forced out of the community, or worse. La Paz Department Representative for El Alto Nasario Ramirez told PolOff that 85 percent of Altenos voted for the constitution -- a seven percent drop-off from Morales 92 percent support in the August recall referendum. He blamed a worsening economy, the loss of ATPDEA, the perception that the Morales administration takes Altenos for granted, and a split between Morales and FEJUVE (the Federation of Neighborhood Associations). Ramirez, who is also a FEJUVE executive board member, claimed its leadership decided at the last minute to vote against the constitution, putting it in conflict with other Alteno social groups and many of its own members.
- 19. (U) Despite generally favorable reviews, especially from international observation teams, fraud remains a concern. The most common complaint was that the indelible ink used to mark voters' index fingers could be easily washed off with soap, raising concerns of people voting multiple times. Some charged that the ink was weakened on purpose to enable such a scheme. CNE President Jose Luis Exeni rebutted this claim, saying the indelible ink was merely a secondary safeguard, and that a voter needed to present identification matching the voter roll, sign their name, and give a fingerprint before voting, all of which ensured there was no multiple voting.
- 110. (U) Local media also reported many cases of voters arriving only to find they had been incorrectly struck from the voter rolls for allegedly not voting in a prior election or referendum, or to find someone else had voted in their place. While some of these cases arose from shared (and common) last names, a prior lack of confidence in the voter rolls (Reftel B) led to accusations of fraud.

Observers' Private Impressions

^{111. (}U) Public statements from international observation teams were almost uniformly positive. Despite isolated

incidents, the OAS noted a "climate of peace" throughout the country. CNE President Exeni said the day had unfolded without largely without incident and that the results were "totally reliable." OAS Observer Mission Chief Raul Lago said that as of mid-day he had received no reports of irregularities. Carter Center Director Jennifer McCoy noted that "in no country is there a 100 perfect voter roll," and said while there are bound to be some complaints, the overall result was not in doubt. Similarly, most of the local television and print media ran stories on the generally peaceful nature of the vote.

- $\underline{\mathbf{1}}$ 12. (C) In a conversation with four OAS observers January 26 at the Charg's residence, three observers confirmed that in highland rural areas voting was often public, guided, and double-checked. All were quick with stories of potential electoral violations, which they noted were so common as to make them think the communities may not have known they were breaking the rules. One observer said that in a line of fifty people, all were given instructional material on "how to vote." When he asked to see the material, it suddenly disappeared throughout the line. The observer said whenever a person was ready to vote and stepped into the "private area" to mark the ballot, he was met there by another person who guided him on how to vote and checked to make sure he had voted correctly (i.e. for the constitution). 13. (C) Another observer recounted two stories illustrating the pressure within communities to vote "the right way." First, he said local leaders who had doubts about a person's voting tendencies would mark the ballot before giving it out, and then look for that ballot during the public counting. Anyone who voted against the MAS would be disciplined later. In a second story, he said he spoke with a priest who reported taking a confession where the person asked for guidance whether to vote his conscience or as the community dictated. Another observer said little children, who were
- allowed to run freely in and out of "private" voting areas in violation of the rules, were used to check on how people were voting. "They would just say 'He's my grandfather' and run into the voting area, even though everyone knew that was not the case," according to the observer.
- 114. (C) Only one of the four observers, who was located in Santa Cruz department, said there was an opposition presence checking and stamping the ballots. The three observers located in the Altiplano said there was no opposition presence. One noted succinctly, "they would be too scared to show up there."
- 115. (C) The OAS made an effort to locate observers in areas that had reported 100 percent voting and support for Morales in the August 2008 referendum. One observer located in such an area said that he saw lower turnout this time, with the implication that some votes had been added to the tally in the August referendum.
- 116. (C) In discussing the counting of votes, the observers agreed they had not noticed any fraud or "miscounting," and were generally impressed by how public counting would discourage such actions. However, one observer noted that in an interview with the district electoral court, he was told that they did not verify the count once the ballot boxes arrived. "There is simply too much paper" to redo the count, he said, raising the possibility that votes could be manipulated after the count and before the delivery to the court. The results documents are sealed with wax after the count, according to the observers, but such measures could be tampered with.
- 117. (C) In addition to the concerns mentioned above, Post now awaits the specific breakdown of voting results to see how many districts voted unanimously or with suspiciously high vote totals for the constitution. With over 20,000 voting stations and only 350 international observers, it is impossible to verify all instances of fraud, especially in rural areas. As one of the OAS observers told us, "We only see what they do, where we are at, while we are there." The

kind of fraud the opposition has documented before, such as phantom ballots, inconsistencies in voter logs, and false reports from polling stations will not be evident until final CNE statistics are approved.

118. (U) Last, violent behavior, while isolated, did occur on both sides. In the town of Achacachi, a noted MAS stronghold and home of the radical ponchos rojos group, as well as in Tarija, Chuquisaca, and Santa Cruz departments, private media reported intimidation by pro-government groups. In and around the Santa Cruz capital, there were reports of voter intimidation by the Santa Cruz Youth Union.

Constitution Passed, What's Next?

- 119. (C) Although the constitution was passed with a comfortable majority and voters also supported a 5,000 hectare limit on land holdings, the common wisdom is that the MAS cannot use this victory as a mandate to push through its own interpretations of the constitution. Not only do the national results show a drop of more than eight percentage points since the August 2008 recall referendum, but prior to the referendum President Morales had been presaging a victory of eighty percent or more. Given the MAS strategy of linking the constitution to Morales' performance, in almost a repeat of the August referendum, the performance may be cause for concern within the Presidential Palace. During his victory speech the night of the referendum, Morales repeated several well-worn clichs about the death of colonialism and neoliberalism, but he did not (yet) seize the opportunity to press his advantage.
- 120. (C) A roundup of the local press also shows most media analysts urging reconciliation and a less confrontational government strategy. It is possible Morales was warned that the referendum results would be closer than anticipated, as he announced the day before the referendum that "it had never crossed his mind" to move up the December 6 elections to June, as others in his party had suggested. He also failed to repeat his prior statements of ruling by supreme decree. Instead, after the referendum victory, Morales called for a cabinet meeting on January 27 and a meeting of the "Autonomy Council," a group consisting of department prefects, mayors, and other civic leaders to discuss next steps. Other sources say Morales usually follows confrontation with calm and that he can be expected to now mount a "charm offensive" in which he presents the MAS as a unifying force.
- 121. (U) Most immediately, the Congress is now required to pass within 60 days a law laying out the rules for the transition period until and including the December 6 elections. Despite Morales' pledge not to move up elections, Senator Felix Rojas said "if the ultraright in the Senate acts as an obstacle (by refusing to negotiate on this law), the Executive has the mission of moving forward the December elections and has the legitimate obligation to rule by supreme decree."

- - - -Comment

122. (C) None of the worst-case scenarios occurred during the voting, in that violence was kept to a minimum and the opposition kept the margin closer than in August 2008 and much closer than Morales' prediction of eighty percent or more. In fact, other than the win itself, the opposition has much to be thankful for. The MAS did not gain the mandate it sought to push any and all of its preferred interpretations of the constitution through the Congress. It appears Morales may be forced by the circumstances to keep to the December timeline for elections, which will give the opposition more time to try to unify around one candidate and also give the voters time to feel the pinch of the failing economy. It will also be harder now for Morales to justify closing Congress and ruling by supreme decree. Instead, both sides

will now play a waiting game, calling for unity and cooperation while looking to see who makes the first misstep. Still, the MAS is skilled at rallying its base, and with negotiations upcoming on several powderkeg implementation issues (including autonomies, "proportional representation" of indigenous in the Plurinational Assembly, and a "demarcation law" regarding indigenous autonomous areas), it will have several chances to do so. End Comment. URS